

## **Memorandum to File**

### **California Ethanol Producer Incentive Program (CEPIP) Participant Agreement for January 12, 2011 Business Meeting**

**Prepared December 22, 2010**

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Calgren Renewable Fuels, LLC (Calgren) has been identified as one of the CEPIP entities eligible to enter into CEPIP Participants Agreements (PA) for the January 12, 2011 Energy Commission Business Meeting. Calgren will execute a zero-dollar, CEPIP PA prior to full participation in CEPIP.

Calgren had submitted a proposal to participate in the CEPIP (PON-09-607). Pixley Biogas, LLC a business entity associated with Calgren submitted a proposal to the Biomethane Production solicitation (PON-09-003). Several addenda under the CEPIP were issued that sought clarification from CEPIP awardees in seeking AB 118 funds through various solicitations. Calgren, subsequent to CEPIP Addendum #4 issued December 10, 2010, submitted to the Commission on December 13, 2010 a written statement indicating that the benefits of the CEPIP Biorefinery Operational Enhancement Goals (BOEG) would be achieved and accounted for separately from other AB 118 proposed projects. On December 22, 2010, the Transportation Committee approved acceptance of the written statement.

The PA for the CEPIP contains several exhibits including a Work Statement and Terms and Conditions.

- An exhibit for the Work Statement that contains: a) five administrative tasks including meetings, reporting, and data analysis; five tasks detailing the milestones of the BOEG such as the draft and final plan, detailed budget, obtaining permits and regulatory review, and construction initiation and completion; and three tasks including calculating an Ethanol Crush Spread (ECS), payments and or reimbursements, and conditions that trigger formal communications with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA).
- Exhibits that contain the Terms and Conditions consistent with applicable Commission grant awardees. Of note, the funding limitation of \$2 million in this initial agreement and the requirement that a participant has a continuing obligation to meet BOEG timelines even if CEPIP funds run out.